

## Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 AID-05 IGA-02 EB-07 AGRE-00 COME-00  
SP-02 L-03 CIAE-00 INR-07 NSAE-00 SSO-00 INRE-00  
/037 R

DRAFTED BY NEA/PAB:MAUSTRIAN:DE  
APPROVED BY NEA:ADUBS  
-----272034Z 092257 /65  
O 272003Z MAY 77  
FM SECSTATE WASHDC  
TO AMEMBASSY DACCA IMMEDIATE

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E.O. 11652: N/A

TAGS: EAID, EAGR, BD

SUBJECT: PL-480

1. DEPUTY ASSISTANT SECRETARY DUBS CALLED IN BANGLADESH  
AMBASSADOR SIDDIQI ON MAY 26 AND MADE THE FOLLOWING PRE-  
SENTATION:

-- YOU KNOW, FROM UNDER SECRETARY HABIB'S CONVERSATION WITH  
ADMIRAL KHAN AND OUR LONG STANDING DIALOGUE ON THIS ISSUE,  
THAT THE UNITED STATES HAS BEEN PLEASED TO ASSIST BANGLA-  
DESH ECONOMICALLY AND IS PREPARED TO CONTINUE TO DO SO, IN  
AN EFFORT TO MEET YOUR LEGITIMATE NEEDS.

-- AS YOU ARE AWARE, HOWEVER, FROM RECENT DISCUSSIONS WITH  
HIGH LEVEL U.S. GOVERNMENT OFFICIALS, THE UNITED STATES,  
BASED ON OUR BEST READING OF THE SITUATION, IS NOT PREPARED  
AT THIS TIME TO CONSIDER ANY FURTHER FOODGRAIN SHIPMENTS  
TO BANGLADESH, BEYOND THE 350,000 TONS ALREADY AGREED TO OR  
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UNDER DISCUSSION.

-- THE ATTACHED TABLE INDICATES THAT CLOSING STOCKS, AS OF  
DECEMBER 31, 1977, WILL BE BETWEEN 529,000 AND 771,000  
TONS, EXCEEDING THE LEVEL ADMIRAL KHAN STATED THE BANGLADESH  
GOVERNMENT CONSIDERS TO BE ITS MINIMUM REQUIREMENT.

-- IT IS OUR JUDGEMENT THAT FURTHER SHIPMENTS COULD AD-  
VERSELY AFFECT DOMESTIC FOODGRAIN PRICES IN BANGLADESH AND  
IMPAIR LOCAL PROCUREMENT EFFORTS.

-- WE RECOGNIZE THE DANGER OF POSSIBLE NATURAL DISASTERS  
BUT ARE UNABLE TO PLAN PL-480 TITLE I ASSISTANCE ON THE  
BASIS OF CALAMITIES WHICH HAVE NOT YET OCCURRED.

-- WE ARE KEEPING THE SITUATION UNDER CONTINUAL REVIEW  
AND SHOULD THE STOCK POSITION CHANGE, OR SHOULD THERE BE  
A NATURAL DISASTER, WE WILL BE PREPARED TO BE OF ALL  
POSSIBLE ASSISTANCE.

-- ON EDIBLE OIL, THE U.S. GOVERNMENT CURRENTLY IS CON-  
SIDERING YOUR REQUEST. DOMESTIC U.S. STOCKS ARE LOW, AND  
THE PRICE OF EDIBLE OIL HIGH, HOWEVER, AND IT IS MOST UN-  
LIKELY THAT WE WILL BE ABLE TO FILL YOUR REQUEST COM-  
PLETELY. AS SECRETARY BERGLAND TOLD ADMIRAL KHAN, UNTIL  
THE NEW CROP IS HARVESTED THERE WILL BE VERY LITTLE EDIBLE  
OIL AVAILABLE TO SHIP. WE WILL BE IN TOUCH WITH YOU AS  
SOON AS A DECISION CAN BE MADE.

-- ADDITIONALLY, AS YOU ARE AWARE, COTTON IS UNAVAILABLE  
UNDER PL-480 THIS YEAR. WE WILL BE PREPARED TO CONSIDER  
A REQUEST FOR THIS COMMODITY NEXT YEAR, SHOULD DOMESTIC  
U.S. PRODUCTION BE SUFFICIENT.

2. SIDDIQI WAS GIVEN A PAPER CONTAINING THE ABOVE POINTS.  
IN ADDITION, HE WAS PRESENTED WITH THE FOLLOWING TABLE:  
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- - - (THOUSANDS OF TONS)

- - - WFP USAID  
FORECAST FORECAST

OPENING STOCK-APRIL 1ST	471	471
DOMESTIC PROCUREMENT		
(APRIL THROUGH DECEMBER,		
1977)	232	160

FOODGRAIN IMPORTS		
(APRIL-DEC.)	1,186	1,281

ESTIMATED FOODGRAIN OFFTAKES		
(APRIL-DEC.)	1,360	1,141

ESTIMATED CLOSING STOCK		
DECEMBER 31, 1977	529	771

3. IN RESPONSE, SIDDIQI AGREED NOT TO PURSUE THE QUESTION OF OBTAINING COTTON UNDER PL-480 THIS YEAR. ON EDIBLE OIL, HE NOTED HIS UNDERSTANDING THAT 10,000 TONS HAD BEEN RESERVED FOR BANGLADESH THIS FISCAL YEAR. HE WAS TOLD THAT, WHILE THE STATE DEPARTMENT HAD RESERVED THIS AMOUNT IN ITS OWN INTERNAL DELIBERATIONS, IN ORDER TO FINALIZE A PROGRAM IT IS NECESSARY FOR US TO OBTAIN INTERAGENCY CLEARANCES. THIS PROCEDURE HAS NOT BEEN COMPLETED. ADDITIONALLY, THE TIGHT SUPPLY SITUATION AND THE HIGH U.S. PRICE OF OIL WAS EXPLAINED TO SIDDIQI, ALONG WITH ADVERSE IMPACT ON THE OVERALL PL-480 TITLE I BUDGET. SIDDIQI WAS TOLD THAT HE WOULD BE INFORMED AS SOON AS A FINAL DECISION WAS MADE.

4. SIDDIQI QUESTIONED WHETHER BANGLADESH MIGHT RECEIVE AN ADDITIONAL 10,000 TONS OF PEANUT OIL UNDER TITLE II. IT LIMITED OFFICIAL USE

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WAS EXPLAINED THAT PEANUT OIL PRICES ARE EVEN HIGHER THAN SOYBEAN AND WOULD EXERT GREATER PRESSURE ON THE OVERALL BUDGET. THIS QUESTION WAS NOT PURSUED AT GREAT LENGTH.

5. ON FOODGRAIN, SIDDIQI NOTED THAT THE FIGURES IN THE TABLE PRESENTED DIFFERED SIGNIFICANTLY FROM THOSE FORWARDED TO HIM BY THE BANGLADESH GOVERNMENT, MOST NOTICEABLY IN THE AREA OF DOMESTIC PROCUREMENT -- WHERE THE BDG ESTIMATE BETWEEN NOW AND OCTOBER 31 IS NIL. HE REQUESTED THAT WE PROVIDE A BREAKDOWN, SIMILAR TO THAT GIVEN ABOVE, USING OCTOBER 31 AS A TERMINAL DATE FOR THE TABLE.

6. DEPUTY ASSISTANT SECRETARY DUBS TOLD SIDDIQI THAT, IN OUR VIEW, OUR EMBASSY IN DACCA IS VERY SOLID AND WE RELY UPON THEIR ANALYSIS IN THESE MATTERS. WE KNOW THAT THEY CONSULT WITH BANGLADESH GOVERNMENT OFFICIALS, WORLD FOOD PROGRAM LEADERS, AND OTHERS IN DACCA IN ORDER TO ARRIVE AT THEIR ESTIMATES. THE FIGURES WE HAD GIVEN SIDDIQI ARE THE BEST FIGURES AVAILABLE TO THE U.S. GOVERNMENT AT THIS TIME. SIDDIQI WAS TOLD THAT, IF THIS SITUATION CHANGES, A FURTHER APPROACH SHOULD BE MADE, IN DACCA, THROUGH AMBASSADOR MASTERS FOR A REVIEW.

7. SIDDIQI NOTED ALL OF THE QUOTE NATURAL DISASTERS UNQUOTE WHICH HAVE AFFECTED BANGLADESH THIS YEAR AND ALLUDED TO THE LONG LEAD-TIME NECESSARY TO GET FOOD ASSISTANCE TO BANGLADESH IF A MAJOR DISASTER OCCURS. HE ESTIMATED THE MINIMUM TIME REQUIRED AT FOUR MONTHS.

8. DEPUTY ASSISTANCE SECRETARY DUBS ASSURED HIM THAT THIS COULD BE TELESOPED IN AN EMERGENCY AND REPEATED UNDER

SECRETARY HABIB'S PROMISE THAT THE UNITED STATES HAD NOT  
FAILED BANGLADESH IN THE PAST AND WOULD NOT DO SO IN THE  
FUTURE.

9. DEPARTMENT PLANS TO GIVE SIDDIQI A NEW TABLE, BASED ON  
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FIGURES CONTAINED IN STATE 117021, THROUGH OCTOBER 31,  
1977. IF THESE SHOULD BE REVISED, PLEASE INFORM DEPART-  
MENT. VANCE

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NNN

## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
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**Concepts:** PL 480, FOOD ASSISTANCE, GRAINS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition Date:** 22 May 2009  
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**Type:** TE  
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